

from 7 to 21. Finally, a total of four independents won seats in the new legislature.

As is usual following any election, the media pundits are busy analyzing the results and the trends they may or may not indicate. Some papers are saying that the reduction in the KMT's seats and the increase by the NP were the result, in part, of China's attempts to intimidate the Taiwanese over the last few months by testing missiles near Taiwan's shores and making bellicose threats against any attempt to move toward independence. Given what I know about the Taiwanese people, who can be very defiant when challenged, I wonder if this is an accurate analysis. And I certainly hope that the Chinese Government doesn't believe that its tactics of intimidation are going to work.

But no matter what the reason for the result, I think the important point that should be emphasized, as Keith Richburg did in the Washington Post, is that, "Perhaps most remarkable about the elections was that they took place at all. Just 8 years ago, Taiwan was still under martial law. But in 1988 President Lee Teng-Hui launched his quiet revolution to shift Taiwan toward multiparty democracy. Taiwan has emerged as one of Asia's liveliest democracies and the world's freest and most democratic Chinese society."

I'm sure that every analyst will agree with that statement.

So where are we now, Mr. President? In my view, as a result of the election, the KMT will have to take the steps that any Democratic Party would have to take to ensure passage of its program. There will likely be increased maneuvering on votes among the parties as alliances are formed, issue-by-issue, among the three parties. In short, the legislature will have to take into account the will of the people and their elected representatives—a situation which may cause some inefficiencies in the short term, but which will only strengthen Taiwan in the long term as democracy takes firmer hold in that society.

Mr. President, as you know, the next and equally important step in making Taiwan a fully democratized state is a free and fair, multicandidate presidential election. That will take place next March, and it, like the legislative campaign, promises to be very lively.

While President Lee Teng-Hui of the KMT party is favored to win the election at the moment, I'm sure that he and the other candidates will be campaigning very hard over the next month to seek the people's mandate. And that too is a very important matter to keep in mind.

No matter who wins the presidential election, the Taiwanese people will be able to say, next March, that their freely elected President and their freely elected legislature will, for the very first time, have a full and complete mandate.

That in turn will allow the elected leaders to feel confident that the people

are behind them as they deal with Taiwan's future and, most important, as they determine their relationship with the People's Republic of China.

Then, and presuming that soon the power struggle in the PRC will be over, it is my hope that both sides will return to a period of reduced tensions and renewed contacts, both economic and political.

In the meantime, it is important for us to take note of positive steps like the Taiwan parliamentary elections which advance the democratization of the world. The people of Taiwan deserve not only our congratulations but also our support as they and their representatives map out their destiny in what we hope will be, in the future, a less volatile and a more peaceful region.●

THE BUDGET AND PUERTO RICO'S NEEDS

● Mr. BREAUX. Mr. President, as the President constructs a 7-year balanced budget plan to present to the Congress, I would like to reiterate my view that Puerto Rico's needs should not be ignored. The program developed by Governor Rosello to apply wage credit incentives to economically developed areas should be considered by the President as he fashions his plan. This would provide an excellent replacement to the termination of section 936.

If no new economic development incentive can be agreed upon this year, Congress can still communicate its intentions to the people of Puerto Rico by pledging to consider a new job creation program at the earliest possible time. As a step toward this commitment, Congress should establish a new section of the code for economic development, and include as an interim measure the 10-year wage credit phase-out passed by the Congress. This technical change, which costs the Federal Treasury nothing, would demonstrate to the American citizens of Puerto Rico that Congress remains committed to its economic development and job creation.●

PATENT PROTECTION UNDER THE GATT

● Mr. FAIRCLOTH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a letter from former Surgeon General Dr. C. Everett Koop.

The letter follows:

NOVEMBER 30, 1995.

Mr. MORTON KONDRACK, Executive Editor, *Roll Call*, Washington, DC.

In your special supplement on the FDA (October 9, 1995), an article appeared concerning patent protection under the General Agreement on Tariffs and Trade (GATT). I am of the firm belief that any action on the part of the U.S. Senate to weaken the hard-fought patent protections of the GATT would imperil the future of intellectual property rights and undermine the research activities of pioneering pharmaceutical companies.

A little-known revolution has taken place in my lifetime. When I started practicing medicine, only a fraction of the drugs that we now take for granted existed. Over the years, I have witnessed great suffering endured by patients and their families that, just a few years later, could have been eased because of the advent of the latest "miracle drug." These breakthrough treatments have brought hope and, in many cases, renewed health to thousands of patients. They are the product of an increasingly important concept: the sanctity of intellectual property.

The right to claim ideas as property allows innovators to invest their time and money bringing those ideas to fruition. It is the basis of our patent system that allowed American ingenuity to prosper throughout the Industrial Age. Today, we are at the dawn of an Information Age and now, more than ever, the rights of intellectual property holders must be protected.

Consider the enormous investment in time, money, and brain power required to bring a single new medicine to patients: 12 years and more than \$350 million is the average investment. Only 20% of new compounds tested in a laboratory ever find their way onto pharmacy shelves. Only a third of those ever earns a return on the colossal investment made to discover it.

Though risky and expensive, this process works. The U.S. is the world leader in the development of innovative new medicines. Proceeds from the sales of these medicines support the work and research invested in new successful drugs, as well as the thousands of drugs that never make it out of the lab.

Patent protection makes that investment in research worthwhile—and possible. Recently, patent protection around the world was strengthened and harmonized by the GATT, which required changes that equalized intellectual property protection in all participating countries. These changes are important to encourage the risky, expensive research necessary to provide new medicines to fulfill unmet medical needs.

Now, some generic drug companies are challenging the GATT's advance in intellectual property protection. They are urging Congress to amend the 1984 Hatch-Waxman Act to give them an advantage under the GATT that no other industry enjoys.

A key provision of the Hatch-Waxman Act gives generic drug companies a jump start on marketing by allowing them to use a patented product for development and testing before the patent expires. This special exemption from patent law is not allowed for any other industry. For example, a television manufacturer who wants to market or use its own version of a patented component must wait until the patent expires; otherwise, it risks liability for patent infringement.

In return for these special benefits, the Hatch-Waxman Act requires generic drug companies to wait until the expiration of the research companies' patents before they can begin marketing their drugs. Now, the generic drug industry is asking Congress to give it a special exemption from that restriction as well.

In my opinion, that would be unwise. Treatment discovery has already slowed; we should reverse that process, not ensure it.

While the generic drug industry continues to prosper as a result of the benefits received in the 1984 Act, medical research has continued to become more complex, more costly, and more time consuming, further limiting the effective market life for patented products.

Generic drugs play an important role in helping lower the cost of medicines. But it is the pharmaceutical research industry that discovers and develops those medicines in